



Leave Balance Value Payout Information and Processing Instructions



In accordance with 101 KAR 2:102, employees separating/retiring or being dismissed with a remaining compensatory leave balance are eligible for a payment equal to the value of that remaining balance.

Some employees with remaining annual leave *may* also be eligible to receive compensation of their annual leave balance, up to the maximum amount shown below (based on their annual months of service) if approved by the appointing authority. Note: Approvals are typically given unless the employee fails to provide adequate notice of intent to separate/retire (less than 14 days) or is dismissed due to misconduct.

The maximum number of annual leave hours to be paid out per months of service, for a KRS Chapter 18A employee is as follows (see 101 KAR 2:102):

Months of Service	Annual Equivalent	Maximum Amount (Days)	Hourly Equivalent by Work Week	
			37.5	40
0-59	<i>Less than 5</i>	Thirty (30) workdays	225.0	240.0
60-119	<i>5 – less than 10</i>	Thirty-seven (37) workdays	277.5	296.0
120-179	<i>10- less than 15</i>	Forty-five (45) workdays	337.5	360.0
180-239	<i>15- less than 20</i>	Fifty-two (52) workdays	390.0	416.0
240 and over	<i>20 or more</i>	Sixty (60) workdays	450.0	480.0

Employee groups with maximum payout amounts that differ from KRS Chapter 18A are as follows:

Employee Group	Maximum Annual Payout	Maximum Compensatory Payout
KRS Chapter 156 (technical education teachers)	450 Hours	200 Hours
KRS Chapter 16 (Kentucky State Police)	Same as 18A	240 Hours
Legislative Research Commission	900 Hours. Anything over converts to sick leave	240 Hours

Processing Options for Compensation of Leave Balance Value:

1. Payout with final payroll.
2. Deferral to an active 401K/457 plan through the KY Employees Deferred Compensation Authority.

Upon notice of pending separation/retirement/dismissal, the employee (if balances and an active 401K/457 plan exist) should be given the Payout Request for Remaining Leave Balance Value. This form is *not necessary* if the employee has no applicable leave balances or if the employee has applicable leave balances but does *not* have an active 401K/457 plan- in which payout with final payroll would be their only option. In that event, skip to Processing Instructions for Option 1.

Preparing the Payout Request for Remaining Leave Balance Value form:

Complete Section 1, by entering the employee's name, PERNR, agency name, and the last date of employment. Annual months of service should be obtained by running PTBAL_00 and the employees full annual balance should be listed followed by the maximum amount payable, based on the above (and included on the form) chart. If the balance is being forfeited check the box to indicate such. Enter any compensatory leave balance that

will be paid as well as the 'as-of' date for which the balances are valid. Provide to the employee for completion. Upon return, process the leave balance value payout as requested/permitted.

Processing Instructions:

Complete this chart to assist in processing, using data from a salary statement, as indicated in the instructions below.

Employee Name:		PERNR :	
Last Date of Employment:		Annual Months of Service (MOS):	
Annual Leave Balance Total:			
Maximum Annual Leave Hours to be paid out based on MOS (See chart above):			
Amount above Maximum to be Converted to Sick Leave or Reduced:			
Total Compensatory Leave Balance (to be paid out in full):			
IF APPLICABLE--Total Amount to be Deferred:			\$

Important: The HR Administrator must verify the number of annual hours to be compensated in accordance with the maximum number of hours per the employee's months of service. This is necessary because KHRIS will allow any number of annual hours to be entered; there is no validation against months of service shown on IT0416. Failure to check the limit per months of service may result in the employee being overcompensated. Instructions for utilizing PTBAL_00 can be found on the HR website under Resources/Reports.

Option 1- Payout with final payroll.

This process should be completed *after pre-payroll* has run and *before final payroll* runs for that which will process the employee's final pay for wages earned. Note: You should generate a salary statement after pre-payroll, to obtain the balances for the above chart and to see what the initial net payment based on regular wages will be.

1. Log into the **KHRIS GUI** and enter transaction code **PA30** to Maintain HR Master Data.
2. Enter the employee's **PERNR**.
3. Once the employee's information appears, enter **0416** in the 'Infotype field' and click the matchbox for the 'Sty field'. This will open a window where you will select either **1000-** Comp Term Retire Eligible **or** **1004-** Annl Term Retire Eligible, based on the leave payout type you are processing.

Subtypes for infotype "0416 Time Quota Compensation"

Restrictions

ES	PSG	Comp.me	Description
1	10	1000	Comp Term Retire Eligible
1	10	1001	Comp Death Curr Yr 2008
1	10	1002	Comp Death Current Year
1	10	1003	Comp Death Prior Year
1	10	1004	Annl Term Retire Eligible
1	10	1005	Annual Death Current Year
1	10	1006	Annual Death Prior Year
1	10	1007	Comp Term Non-Eligible
1	10	1008	Comp Death Prior Yr 2008
1	10	1009	Annl Term Non- Eligible
1	10	1010	Comp Death Curr Yr 2008
1	10	1011	Comp Death Prior YR 2008
1	10	1012	Annual Death Curr Yr KTRS
1	10	1013	Annual Death Pr YR KTRS
1	10	1014	Block 80 LRC

4. Click the **'Create'** button.



5. A new screen appears. Enter the **Start** date as the employee's last active date for employment.

6. For **No. to compensate**, enter the leave hours to be compensated.

Start: 7/31/2014

Comp. method: 1004 Annl Term Retire Eligible

Compensation specifications

Time quota type: 00

Compensation rule: 001 Annual

No. to compensate: 450.00

☐ Do not account

Absence quotas

ATy	Quota text	Entitl.	Unit	Comp.	Rem.
01	Annual Leave	496.00000	Hours	0.00000	496.00000
03	Comp Leave	45.00000	Hours	0.00000	45.00000
04	Military Leave	157.50000	Hours	0.00000	157.50000

7. Click the **'Compensate'** button to see the amount of hours to be paid and you'll notice the remaining balance

will decrease accordingly.



8. Click the **'Save'** button.



Complete this process for each leave balance payout as you can only process one at a time. A quick reference guide providing screenshots for this process is available on the HR website under Resources/Time-Leave as well as Resources/Payroll.

9. After final payroll, generate and mail a final salary statement to the employee. The payment and this associated salary statement will reflect the amount paid for wages in addition to the amount of the leave payout.

Instructions for generating a salary statement can be found on the HR website under Resources/Reports/Payroll.

Option 2- Deferral to an active 401K/457 plan through the KY Employees Deferred Compensation Authority.

When an employee selects this option, they are responsible for contacting KDC to start the paperwork required for the deferral. KDC will send the agency HR office a Lump Sum Deferral of Annual Leave and Compensatory Time Form to complete and return, using the Deferred Comp Calculator which is available on the HR website under Resources/Payroll. Based on those figures KDC will provide a Pre-Tax Participation Agreement which will indicate the maximum amounts for the deferral.

This process should be completed after that agreement is received and *on the first off-cycle* run that follows the final payroll that processed the employee's final pay for wages earned. Note: You should use the agreement and the salary statement from the employee's final payroll, to obtain the balances for the above chart. Remember to mail the employee a copy of their final salary statement.

1. Log into the **KHRIS GUI** and enter transaction code **PA30** to Maintain HR Master Data.
2. Enter the employee's **PERNR**.
3. Once the employee's information appears, enter **0416** in the 'Infotype field' and click the matchbox for the 'Sty field'. This will open a window where you will select either **1000-** Comp Term Retire Eligible **or** **1004-** Annl Term Retire Eligible, based on the leave payout type you are processing.

The screenshot shows the KHRIS GUI interface. The 'Basic personal data' tab is selected. On the left, there is a list of infotypes with checkboxes. The 'Infotype text' field is set to 'S.'. The 'Period' section on the right has radio buttons for 'Today', 'All', 'From curr.date', 'To Current Date', 'Current Period', 'Curr.wei', 'Current', 'Last we', 'Last mo', and 'Current'. The 'Direct selection' section at the bottom shows the 'Infotype' field with '416' entered and the 'Sty' field with a matchbox icon circled in green.

Subtypes for infotype "0416 Time Quota Compensation"

Restrictions

ES...	PSG	Comp.me	Description
1	10	1000	Comp Term Retire Eligble
1	10	1001	Comp Death Curr Yr 2008
1	10	1002	Comp Death Current Year
1	10	1003	Comp Death Prior Year
1	10	1004	Annl Term Retire Eligible
1	10	1005	Annual Death Current Year
1	10	1006	Annual Death Prior Year
1	10	1007	Comp Term Non-Eligble
1	10	1008	Comp Death Prior Yr 2008
1	10	1009	Annl Term Non- Eligible
1	10	1010	Comp Death Curr Yr 2008
1	10	1011	Comp Death Prior YR 2008
1	10	1012	Annual Death Curr Yr KTRS
1	10	1013	Annual Death Pr YR KTRS
1	10	1014	Block 80 LRC

4. Click the **'Create'** button.



5. A new screen appears. Enter the **Start** date as the employee's last active date for employment.

6. For **No. to compensate**, enter the leave hours to be compensated through deferral.

Start **7/31/2014**

Comp. method **1004** Annl Term Retire Eligible

Compensation specifications

Time quota type **00**

Compensation rule **001** Annual

No. to compensate **450.00**

☐ Do not account

Absence quotas

ATy	Quota text	Entitl.	Unit	Comp.	Rem.
01	Annual Leave	496.00000	Hours	0.00000	496.00000
03	Comp Leave	45.00000	Hours	0.00000	45.00000
04	Military Leave	157.50000	Hours	0.00000	157.50000

7. Click the **'Compensate'** button to see the amount of hours to be paid through deferral and you'll notice the remaining balance will decrease accordingly.



8. Click the **'Save'** button.



Complete this process for each leave balance deferral as you can only process one at a time. A quick reference guide providing screenshots for this process is available on the HR website under Resources/Time-Leave as well as Resources/Payroll.

9. Still using transaction code **PA30** to Maintain HR Master Data, select the Payroll tab and **0015** for Additional Payments.

Basic personal data **Payroll** Benefits Time Taxes Planning Data

Infotype text S..

0003 Payroll Status	✓
0008 Basic Pay	✓
0009 Bank Details	✓
0014 Recurring Payments/Deductions	✓
0015 Additional Payments	✓
0194 Garnishment Document	
0195 Garnishment Order	
2010 Employee Remuneration Info	

Period

From 01/01/1800 To 12/31/9999

☐ Period
☐ Today ☐ Curr.week
☒ All ☐ Current month
☐ From curr.date ☐ Last week
☐ To Current Date ☐ Last month
☐ Current Period ☐ Current Year

10. Click the 'Create' button.

11. A new screen appears. Enter the **Wage Type** as **6310- IT0015 Defer Comp 401K** or **6311- IT0015 Defer Comp 457**, based on the employee's active account type.

WT	Wage Type Long Text	Start Date	End Date
629R	CERS Cash Bal 2014 ER	01/01/2014	12/31/9999
6303	Lincoln National	01/01/1900	12/31/9999
6304	Teachers Ins & Annuity	01/01/1900	12/31/9999
6305	Prof Retirement Planning	01/01/1900	12/31/9999
6306	Variable Annuity Life	01/01/1900	12/31/9999
6307	MetLife Resources	01/01/1900	12/31/9999
6308	Northern Life Ins	01/01/1900	12/31/9999
6309	Kemper Investors Life	01/01/1900	12/31/9999
630A	CERSHazCB2014 IPS PostTax	01/01/2014	12/31/9999
630E	CERS Haz Cash Bal 2014 EE	01/01/2014	12/31/9999
630P	CERSHazCB2014 IPS PreTax	01/01/2014	12/31/9999
630R	CERS Haz Cash Bal 2014 ER	01/01/2014	12/31/9999
6310	IT0015 Defer Comp 401K	01/01/1900	12/31/9999
6311	IT0015 Defer Comp 457	01/01/1900	12/31/9999
6315	Deferred Comp Prior Yr RPT	01/01/1900	12/31/9999
6316	DefCompPriorYrRPT 2012	01/01/1900	12/31/9999
631A	SPRS CB 2014 IPS Post Tax	01/01/2014	12/31/9999
631E	SPRS Cash Bal 2014 EE	01/01/2014	12/31/9999
631P	SPRS CB 2014 IPS Pre Tax	01/01/2014	12/31/9999
631R	SPRS Cash Bal 2014 ER	01/01/2014	12/31/9999
6320	RetirementArrearsCatchup	01/01/1900	12/31/9999
6325	Tax Shelter Maintenance	01/01/1900	12/31/9999
632A	Jud1 CB 2014 IPS Post Tax	01/01/2014	12/31/9999
632E	Judicial 1 CB 2014 Ret EE	01/01/2014	12/31/9999
632P	Jud1 CB 2014 IPS Pre Tax	01/01/2014	12/31/9999
632R	Judicial 1 CB 2014 Ret ER	01/01/2014	12/31/9999
633A	Legis CB 2014 IPS PostTax	01/01/2014	12/31/9999
633E	Legislative CB 2014 Ret EE	01/01/2014	12/31/9999

613 Entries found

12. Enter the **Amount** of the employee's full deferral.

13. For **Date of Origin**, enter the last date of active employment.

0015 Additional Payments

Wage Type **6310** IT0015 Defer Comp 401K

Amount A 16,080.00 US Ind.val.

Number/unit

Date of origin **07/31/2015**

Default Date 00

Assignment Number

Reason for Change

14. Click the **'Save'** button.



15. Once finished, submit a Business Request for an Off-Cycle.

Instructions for this process are available on the HR website under Resources/Processes/Off-Cycle.

16. The day after the Off-Cycle has run, generate and mail a salary statement for that off-cycle to the employee. This will reflect the amount deferred and will include any potential amount that will be paid via check, if over the deferral maximum. Any checks generated from the deferral and off-cycle will be mailed directly to the employee's home address from Treasury.

Completing a Quota Correction

Any remaining annual leave balance, that exceeded the maximum amount payable based on the employee's months of service, must be reduced.

If the employee **separated in a manner other than retirement**, the excess hours are simply *removed*.

If the employee **retired**, the hours are *reduced* from the annual leave balance *and* the sick leave balance is *increased* by that same amount.

Please refer to the Quota Correction quick reference guide, available on the HR website under Resources/Processes/Quota.

NOTE: To prevent incorrect bank accounts from remaining active on IT0009 in cases of rehire, that information is delimited with a date 45 days from the effective date of the retirement/separation date. If processing a void of retirement or separation, the HR Administrator must remember to delete the check record created by the previous action. For rehires, the employee should re-enroll in direct deposit.

Other Useful tools:

Deferred Comp Calculation Tool

Quota Compensation Sheet